

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

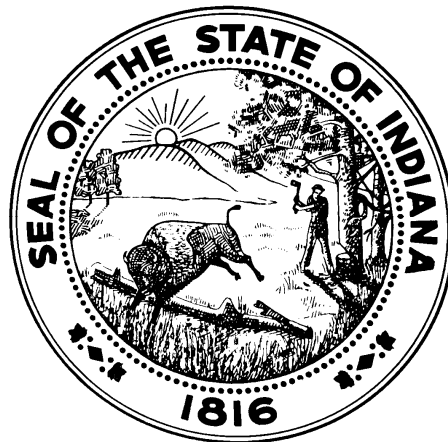
EXAMINATION REPORT

OF

CITY OF ALEXANDRIA

MADISON COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED
10/08/2008

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk–Treasurer	Janet M. Lynch	01-01-04 to 12-31-11
Mayor	Hon. Steven P. Skaggs Hon. John D. (Jack) Woods	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Hon. Steven P. Skaggs Hon. John D. (Jack) Woods	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Common Council	David C. Steele John P. Dockrey	01-01-07 to 12-31-07 01-01-08 to 12-31-08
Superintendent of Water Utility	Mark Caldwell	01-01-07 to 12-31-08
Superintendent of Wastewater Utility	Vacant Roger D. Thomas	01-01-07 to 10-21-07 10-22-07 to 12-31-08



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF ALEXANDRIA, MADISON COUNTY, INDIANA

We have examined the financial information presented herein of the City of Alexandria (City), for the period of January 1, 2007 to December 31, 2007. The City's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 28, 2008

CITY OF ALEXANDRIA
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 681,568	\$ 2,166,420	\$ 2,571,154	\$ 276,834
Motor Vehicle Highway	376,951	296,270	324,927	348,294
Local Road and Street	166,250	59,393	112,887	112,756
Park and Recreation	93,772	58,694	108,970	43,496
Law Enforcement Continuing Education	5,219	3,929	2,670	6,478
Riverboat	-	39,474	21,500	17,974
Rainy Day	-	75,182	74,000	1,182
Donation	10,815	8,790	9,745	9,860
Defib Donation	260	100	300	60
Cumulative Capital Improvement	20,484	21,988	10,563	31,909
Cumulative Capital Development	84,453	14,129	51,278	47,304
Park Tree Fund	1,430	2,900	2,361	1,969
Park Non-Reverting Operating	4,258	3,498	1,693	6,063
Trash Fund	30,190	187,672	195,594	22,268
Federal Cop Grant	760	-	-	760
Tax Abatement	3,242	200	1,168	2,274
Storm Water Management	419,523	49,577	298,674	170,426
1999 State Fire Grant	409	-	-	409
Mayor's Youth Commission	274	-	-	274
Court Non-Revert Fund	504	2,070	1,032	1,542
Reserve Police Nonreverting	178	-	-	178
FEMA Buy-Out Project	6,438	147,500	151,173	2,765
Yard Waste Management Grant '97	12,253	-	12,000	253
Economic Development Project (EDIT)	99	-	-	99
Economic Development Food and Beverage	60,348	-	-	60,348
Bramel Ditch Project	250	-	-	250
Lincoln Heights Project	17	-	-	17
Fire Copy	109	-	-	109
Ordinance Violations Fund	1,858	955	672	2,141
Emery Lee Security Deposits	1,175	5,850	6,000	1,025
Clerk's Document Fees	1,787	873	1,140	1,520
Drug Recovery Funds	1,334	-	-	1,334
Community Foundation ALS Grant	1,615	-	-	1,615
Hazardous Waste Clean-Up	18,368	6,331	9,572	15,127
Proprietary Funds:				
Water Utility - Operating	80,630	474,246	536,346	18,530
Water Utility - Customer Deposit	68,650	17,025	12,570	73,105
Wastewater Utility - Operating	53,789	954,842	821,123	187,508
Wastewater Utility - Bond and Interest	90,109	-	84,777	5,332
Wastewater Utility - Cash Reserve	114	-	-	114
Fiduciary Funds:				
Payroll	26,344	2,555,755	2,559,551	22,548
Police Pension	238,232	146,834	197,875	187,191
Fire Pension	180,743	115,639	154,858	141,524
City Court Fees Due County	691	7,736	6,541	1,886
User Fee Law Enforcement Continuing Education	12,997	1,305	1,038	13,264
Alexandria Insurance	74	693,858	679,160	14,772
Orestes Court Ordinance Fees	243	50	-	293
Summitville O.V. Fines	523	1,298	1,626	195
City Court	19,474	80,378	84,906	14,946
Totals	<u>\$ 2,778,804</u>	<u>\$ 8,200,761</u>	<u>\$ 9,109,444</u>	<u>\$ 1,870,121</u>

The accompanying notes are an integral part of the financial information.

CITY OF ALEXANDRIA
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, health and social services, culture and recreation, water, wastewater, and general administrative services.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance).

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depositary Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CITY OF ALEXANDRIA
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

CITY OF ALEXANDRIA
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Loan payable	\$ 15,426	\$ 15,715
Business-type Activities:		
Wastewater Utility		
Loan payable	\$ 304,162	\$ -

CITY OF ALEXANDRIA
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

As similarly stated in several prior reports, most recently Report B30567, information presented for examination indicated the City and Utilities do not maintain sufficient detailed records of capital assets. Records providing historical costs for all of the City's and Utilities' capital assets were not available, and records classifying and summarizing the City's and Utilities capital assets were incomplete. Additions and disposals of capital assets were not recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DELINQUENT WASTEWATER ACCOUNTS

As stated in prior Report B30567, delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

(1) a list of the delinquent fees and penalties that are enforceable under this section, which must include the following:

(A) the name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;

(B) a description of the premises, as shown by the records of the county auditor; and

(C) the amount of the delinquent fees, together with the penalty; or

CITY OF ALEXANDRIA
NOTES TO FINANCIAL INFORMATION
(Continued)

- (2) an individual instrument for each lot or parcel of real property on which the fees are delinquent.
- (c) The officer shall record a copy of each list or each individual instrument with the county recorder. . . .
- (e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . ."

LEAVE AND OVERTIME POLICY

As stated in several prior reports, most recently Report B30567, accrual rates for employee vacation and personal leave were increased in 2004; however, the increase has not been approved by the governing board.

Each governmental unit should adopt written policy regarding the accrual and use of leave time and compensatory time and the payment of overtime. Negotiated labor contracts approved by the governing board would be considered as written policy. The policy should conform to the requirements of all state and federal regulatory agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF ALEXANDRIA
EXIT CONFERENCE

The contents of this report were discussed on August 28, 2008, with Janet M. Lynch, Clerk–Treasurer; and Hon. John D. (Jack) Woods, Mayor. The officials concurred with our findings.